



Faculty of Cognitive Sciences and Human Development

**THE EFFECTS OF CULTURAL DIVERSITY ON EMPLOYEES' JOB
SATISFACTION IN A MANUFACTURING INDUSTRY**

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**Bachelor of Science with Honours
(Human Resource Development)
2015**

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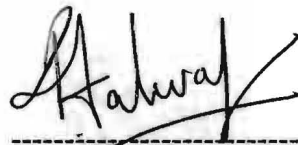
GAN TCHIN XUI

This project is submitted in partial fulfilment of the requirements for a
Bachelor of Science with Honours
Human Resource Development

Faculty of Cognitive Sciences and Human Development
UNIVERSITI MALAYSIA SARAWAK
2015

The project entitled 'The Effects of Cultural Diversity on Employees' Job Satisfaction in a Manufacturing Industry' was prepared by Gan Tchin Xui and submitted to the Faculty of Cognitive Sciences and Human Development in partial fulfillment of the requirements for a Bachelor of Science with Honours (Human Resource Development)

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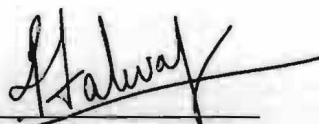
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ACKNOWLEDGEMENT

First of all, I would like to express my deepest gratitude to my most beloved and respectful supervisor of all time, Assoc. Prof. Dr. Prashant Talwar. Throughout the period of completing this final year project, he has been giving me a lot of guidance whenever I faced with difficulties. I really appreciate the time that he spent especially when I seek advice from him. He explained about the problems thoroughly until I have a crystal clear picture.

Within this one year of completing this project, I really do learn a lot from him, not only in terms of gaining knowledge, but also his personality. From my observation, for whoever who wants to meet him, he always welcomed them with his warmest hands. Thus, I believe the experience that I have gained enormously by working under the guidance of Dr. Talwar will definitely help me in future. It has been a great pleasure for me to have the opportunity of doing this project under the guidance of Assoc. Prof. Dr. Prashant Talwar.

Besides, I would like to give full recognition to the manufacturing industry of where I conducted my research. I am very thankful to the administrative and human resource manager of the manufacturing industry for giving me the permission to conduct the study. Moreover, they assisted me in distributing the questionnaires to the employees.

Aside from that, I am very grateful to my family members and friends. They have been giving me continuously strong support either financially or psychologically, which I really appreciate. My family members are the source of encouragement for me in completing this project. Also, my friends have always been there to lend me their hands whenever I faced with certain difficulties in doing the project. For example, they were the source of inspiration for me to have the idea for dealing with certain difficulties. We helped each other whenever there are certain things which we are unclear about.

Overall, I would like to give full credit to everyone who has been giving me support and encouragement in pursuing my Bachelor degree so that I have the opportunity to complete this project as a partial fulfillment for my degree.

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ABSTRACT

THE EFFECTS OF CULTURAL DIVERSITY ON EMPLOYEES' JOB SATISFACTION IN A MANUFACTURING INDUSTRY

GAN TCHIN XUI

Job satisfaction is an important element to be determined in workforce as it has been linked directly with job performance and indirectly with organizational productivity or effectiveness. This is essential especially in today's diverse workforce. Thus, the main purpose of this research is to find out whether there is an effect of the employees' diverse cultural background towards their job satisfaction by using Independent Samples T-test and One-Way Analysis of Variance (ANOVA). The diverse cultural background refers to gender, age, race, level of education, income level and marital status. This study was conducted among 145 respondents from one of the manufacturing industries located at Sarawak, Malaysia. Cross-sectional studies and questionnaire were used to collect the required data. The result showed that level of education was the only variable that has a significant effect on the employees' job satisfaction among the other variables being studied in this research.

ABSTRAK

KESAN KEPELBAGAIAN BUDAYA TERHADAP KEPUASAN KERJA PEKERJA DALAM INDUSTRI PERKILANGAN

GAN TCHIN XUI

Kepuasan kerja adalah suatu unsur yang penting untuk ditentukan dalam tenaga kerja memandangkan ia adalah berkaitan terus dengan prestasi kerja dan berkaitan secara tidak langsung dengan produktiviti atau kecekapan organisasi. Ini adalah penting terutama dalam kepelbagaian tenaga kerja hari ini. Oleh hal yang demikian, tujuan utama untuk menjalankan kajian ini adalah untuk mengetahui sama ada terdapat sebarang kesan latar belakang budaya pekerja yang pelbagai terhadap kepuasan kerja mereka dengan menggunakan 'Independent Samples T-test' dan 'One-Way Analysis of Variance (ANOVA)'. Kepelbagaian latar belakang budaya merujuk kepada jantina, umur, bangsa, tahap pendidikan, tahap pendapatan dan taraf perkahwinan. Kajian ini dijalankan dalam kalangan 145 responden daripada salah satu industri perkilangan yang terletak di Sarawak, Malaysia. Kajian keratin rentas dan soal selidik telah digunakan untuk mengumpul data yang diperlukan. Hasil kajian menunjukkan tahap pendidikan adalah satunya faktor yang mempunyai kesan yang ketara terhadap kepuasan kerja pekerja-pekerja dalam kalangan faktor-faktor lain yang dikaji dalam kajian ini.

CHAPTER I INTRODUCTION

1.0 Introduction

In present days, globalization has become a global phenomenon, of which leads to more interaction among people from diverse backgrounds. These include gender, race, ethnicity, age, religion, physical abilities and such. This phenomenon contributes to workforce diversity, which refers to the differences between people in an organization (Patrick & Kumar, 2012). Having a diverse workforce will result in different types of interaction among the employees, of which will bring certain effects on the employees' satisfaction towards their jobs. Therefore, this study intends to find out whether employees' diverse background will have any effects on their satisfaction towards their jobs.

Besides, this study is done in a manufacturing company which is located in Kuching, Sarawak. According to Teoh, Tan, Chong and Wooi (2011), there is an enormous growth in the manufacturing sector in Malaysia. Also, the manufacturing sector employs the largest number of employees, which includes foreign workers. The main reason contribute to the massive number of foreign workers is due to job satisfaction, which is in terms of promotion opportunity and better working conditions (Hsu as cited in Teoh, Tan, Chong and Wooi, 2011, p.596). Thus, this study is carried out in a manufacturing company as more diverse employees will be included as the respondents.

1.1 Background of the Study

In this twenty-first century, the world is becoming more culturally diverse, with having different races, ethnicity, gender and languages of people moving around us daily. This phenomenon can be described by using a term, which is called 'cultural diversity'. This phenomenon is becoming prevalent in these days, especially in the workforce. According to Wadea Hasan Beheri (2007), diversity is the norm of today's business world. Besides, according to Buckingham (2010), demographics are a large component of diversity and are a contributor which led to increases in diversity.

Previously, organizations were driven towards creating a homogenous workforce in which workers behaved and thought alike (Buckingham, 2010). However, in today's world, the top-level position managers are directed their interest in creating a heterogeneous workforce (Wigglesworth as cited in Buckingham, 2010, p.1). This is because workplace diversity is now being recognized by organizations as a catalyst in yielding greater job satisfaction and competitive advantages.

Past researchers have been defined job satisfaction in their own ways. According to Locke (as cited in Roberts-Clarke, 2004), job satisfaction is the positive emotional state resulting from the appraisal of one's job or job experiences. Besides, job satisfaction is defined as an expression of one's feelings about his or her job (Hirschfeld as cited in Bellou, 2010, p.5). Despite having no single definition, job satisfaction continues to provide interest and opportunity for study and thus an important topic of study (Anita D. Osman, 2007). Also, the questions regarding the factors affect employee satisfaction on the job has interested researchers for decades.

As the workforce has become increasingly diverse, it is interested to find out the effect of cultural diversity on the employees' job satisfaction, as job satisfaction not only has been linked with employees' motivation, but also their performance and the organization's productivity or effectiveness.

Most of the researchers have done studies focused not only on the effects of cultural diversity in the workplace, but also its effects on work performance, wages and job satisfaction. In this study, it will be focused on the effects of cultural diversity on job satisfaction. Job satisfaction has been associated with positive organizational outcomes, such as increased employee productivity, reduced turnover rate, all of which are linked to

improved firm performance (Sledge, Miles & Coppage, 2008). Hence, this study investigates the effects of cultural diversity on job satisfaction.

1.2 Problem Statement

Significant research has been conducted that indicates there is an interrelation among workplace diversity, job satisfaction, and morale (Buckingham, 2010). According to Wadea Hasan Beheri (2007), diversity may bring positive effect in the workplace. Nonetheless, based on a study that has been done in England, it was found out that people prefer to work with those who are similar to themselves (Stahl, Maznevski, Voigt, & Jonsen as cited in Longhi, 2011, p. 4). Hence, higher diversity might have a negative impact on job satisfaction (Longhi, 2011). On the other hand, if the environment of the diverse workforce is more enjoyable, it might have a positive impact on job satisfaction (Longhi, 2011).

However, many researchers have found no evidence in their studies of a relationship between job satisfaction and gender, race or ethnicity (Campbell, 2011). Also, according to Groot and Maassen van der Brink (as cited in Anita D. Osman, 2007, p.75), there were no differences in job satisfaction between men and women. Similarly, there are no simple conclusions about the differences between males and females and their job satisfaction levels (Scott, Swartzel & Taylor, 2005).

Thus, we are left with a conundrum of whether a person's gender, race or ethnicity affects his or her degree of job satisfaction. There are several past studies which have been done about the effects of cultural diversity on work performance, and the effects of organizational culture on motivation and job satisfaction.

However, fewer studies have done about the impact of cultural diversity on the employees' job satisfaction in Malaysia. Therefore, this study intends to find out whether the employees' diverse background will bring any effects on their level of job satisfaction.

1.3 Objective

1.3.1 General Objective

To study the effects of cultural diversity on the employees' job satisfaction in a manufacturing industry

1.3.2 Specific Objectives

- a) To study whether there is an effect of gender on employees' job satisfaction
- b) To investigate whether there is an effect of age on employees' job satisfaction
- c) To whether there is an effect of race on employees' job satisfaction
- d) To find out whether there is an effect of education level on employees' job satisfaction
- e) To analyze whether there is an effect of income level on employees' job satisfaction
- f) To identify whether there is an effect of marital status on employees' job satisfaction

1.4 Research Questions

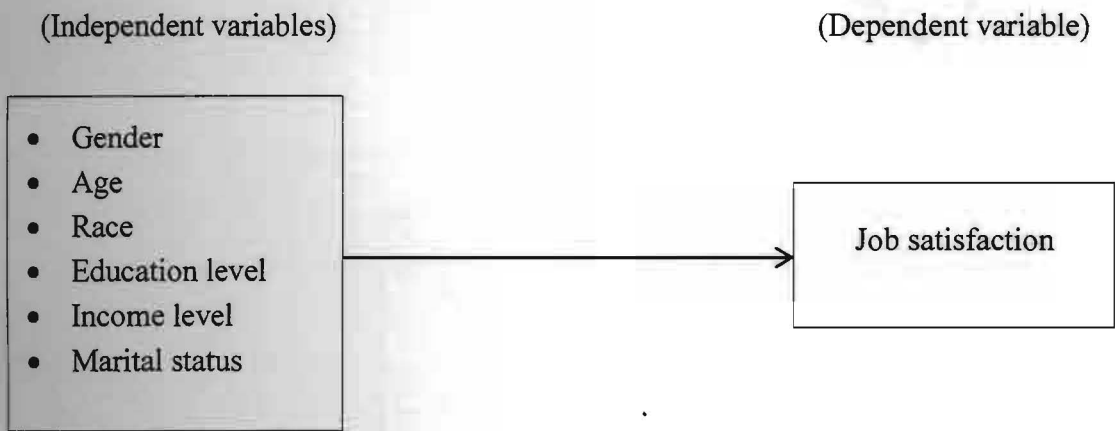
- a) Does a gender difference influence the employees' job satisfaction?
- b) Does an age difference influence the employees' job satisfaction?
- c) Does a race difference influence the employees' job satisfaction?
- d) Does a difference in income level influence the employees' job satisfaction?
- e) Does a difference in education level influence the employees' job satisfaction?
- f) Does a difference in marital status influence the employees' job satisfaction?

1.5 Research Hypothesis

No.	Hypothesis
H ₀₁	There is no significant effect of gender on employees' job satisfaction.
H ₀₂	There is no significant effect of age on employees' job satisfaction.
H ₀₃	There is no significant effect of race on employees' job satisfaction.
H ₀₄	There is no significant effect of education level on employees' job satisfaction.
H ₀₅	There is no significant effect of income level on employees' job satisfaction.
H ₀₆	There is no significant effect of marital status on employees' job satisfaction.

1.6 Conceptual Framework

Figure 1: Conceptual framework of the study



1.7 Significance of the Study

The significance of this study is to investigate whether the employees' diverse background will have an effect on their satisfaction towards their jobs. This is especially important as there will be an occurrence of certain issues in the workplace if diversity management in a company is not being handled in a good way. The examples of the issues

which are related to this study are gender, age and racial discrimination. Besides, it is also important as job satisfaction is linked with organization effectiveness.

1.8 Limitations of the Study

There were several limitations which can be found within this study. The study is conducted in one of the manufacturing industries in Sarawak only, not including the other manufacturing industries in Malaysia and overseas. Besides, only some of the employees' demographic factors were being chosen to conduct this study.

1.9 Definition of Terms

a) Cultural diversity

Conceptual definition:

Differences among individuals and groups, which involved place of origin, age, culture, languages, physical abilities, gender, class, religions, professional occupation, and academic knowledge (Parvis as cited in D'Almeida, 2007, p. 2).

Operational definition:

In this study, cultural diversity refers to the diverse background among the employees, such as gender, age, race, level of education, income level, and marital status.

b) Job satisfaction

Conceptual definition:

A pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences (Locke, 1976 as cited in Ensher, Grant-Vallone, & Donaldson, 2001, p. 56).

Operational definition:

In this study, job satisfaction refers to the employee's satisfaction towards his or her job in terms of nine aspects, which are pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, coworkers, nature of work, and communication.

c) Gender

Conceptual definition:

The state of being male or female (*Merriam-Webster*, 2014).

Operational definition:

In this study, gender refers to the employee either being male or female.

d) Age

Conceptual definition:

The amount of time during which a person or animal has lived (*Merriam-Webster*, 2014).

Operational definition:

In this study, age refers to the current age of an employee.

e) Race

Conceptual definition:

A group of people identified as distinct from other groups because of supposed physical or genetic traits shared by the group (*The free dictionary*, 2014).

Operational definition:

In this study, race refers to the employee either of Malay, Chinese, Indian or other ancestry.

f) Level of education

Conceptual definition:

The highest level of schooling that a person has reached (*Educational attainment of person*, 2012).

Operational definition:

In this study, level of education refers to the highest level of education that has achieved by the employee. For example, primary, secondary, diploma, bachelor degree, and such.

g) Income level

Conceptual definition:

The amount of money received during a period of time in exchange for labor or services (*Dictionary.com*, 2014).

Operational definition:

In this study, income level refers to the amount of money received by the employee.

h) Marital status

Conceptual definition:

The condition of being married or unmarried (*The free dictionary*, 2014).

Operational definition:

In this study, marital status refers to whether the employee is single, married, separated, divorced, or widowed.

1.10 Summary

To conclude, this chapter discussed about the introduction of cultural diversity and job satisfaction. Besides, the reasons that led to this study were also discussed. Also, the objectives of conducting this study were also included.

CHAPTER II LITERATURE REVIEW

2.0 Introduction

This chapter presents the issue related to this study, which is gender discrimination. Besides, it also includes the theoretical framework used in this study and the findings from the previous studies done by different researchers.

2.1 Issues

2.1.1 Gender Discrimination

Higher rates of women are entering the workforce in these days (Childs, 2011). This phenomenon reflects the modernization of the role of male and female as compared to the past. The traditional roles of the female have been often associated with taking care of the household and family responsibilities, which include house cleaning, cooking, laundry, and raising children. In other words, they were expected to stay at home instead of working. On the other hand, males were much associated with being the breadwinner of a family, which is to say they bear the responsibilities to earn money in order to support their family.

Generally women are found to work in sectors such as child care, retail, nursing, teaching, and human service such as hotel and catering sector (Childs, 2011). However, there is an increase of the entrance of women in non-traditional sectors such as manufacturing, insurance and banking (Paula, 2006). On the contrary, men are found to work in sectors such as financial, business, construction, science-related and farming (Childs, 2011).

According to Childs (2011), there are many obstacles that women faced in these days, either in home or workplace. Those obstacles are mainly due to discrimination. Discrimination is defined as the unfair treatment of individuals in the workplace, which is based on their differences (Buckingham, 2010). This will then affect not only their social,

family and work lives, but also their children's lives. This is evident from the fact that gender discrimination is the issue of which seriously affected the women and their families all over the globe in the workplace. In general, gender is a discriminating factor in the workplace (Elsik, 2009).

Gender discrimination can be discussed in two form, namely pay differential and management position.

Although women possess a high level of education, being initiative, portray a good leadership, and long working experience, but still they lack the equal chances of getting promotion and move into high management positions (Childs, 2011). Contrarily, men are being promoted to higher positions such as supervisor, manager, director and vice president. However, according to Paula (2006), the reason that women faced difficulties in moving into high management positions is due to lack of adequate education, training and experience in the past.

The unequal chances of promotion contribute to the occurrence of pay differences among the women, also known as gender wage gap. Similarly, according to Paula (2006), differences between male and female in the management position resulted in earning differentials. Childs also found that women continue to receive lower compensation than men (2011). In other words, women did not receive equal pay for equal work. Although women have made a comprehensive progress in the workplace, their pay is still lesser than their male counterparts, as evident in the earnings gap (Childs, 2011).

There is an argument that difference in pay is related to level of education. In spite of that, the entrance of females into graduate school is higher than males, and thus has higher educational level as compared to males. Yet, they continue to be kept from promotions whereas males with lower degrees are getting the promotions (Childs, 2011).

Next, according to Paula (2006), time division between work and family is the most significant gender issue. There is a need to work for extended hours in order to get recognition and also promotion. Since the availability to work as part-time managers is hardly seen, it is difficult for the women who bear with family responsibilities to strike a balance between the time spent on work and family. In certain countries, there are higher number of women than men who refuse marriage and children for the sake of their career (Paula, 2006).